

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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PUBLIC SERVICE
COMMISSION

IN THE MATTER OF NorthWestern Energy's)
Application for Approval to Purchase and Operate)
PPL Montana's Hydroelectric Facilities, for)
Approval of Inclusion of Generation Asset Cost of)
Service in Electricity Supply Rate, for Approval for)
Issuance of Securities to Complete the Purchase, and))
for Related Relief)

REGULATORY DIVISION
DOCKET NO. D2013.12.85

**MOTION TO INTERVENE
CONFEDERATED SALISH AND KOOTENAI TRIBES**

The Confederated Salish and Kootenai Tribes (CSKT) hereby move to intervene in the above-captioned proceeding.

Movant

The Kootenai, Pend O'reille, and Salish people are members of a sovereign nation that first memorialized their sovereign status with the United States by the terms of the Treaty of Hellgate (12 Stat. 975, July 16, 1855). The State of Montana recognized and affirmed the Kootenai, Pend O'reille, and Salish peoples' sovereign status and special trust relationship with the United States when it was granted statehood in accordance with the terms of Montana's Compact with the United States (Mont. Const. Art. 1). The Kootenai, Pend O'reille, and Salish people formed the Confederated Salish and Kootenai Tribes ("CSKT"), a constitutional government authorized by Section 16 of the Indian Reorganization Act of 1934 (25 U.S.C. § 476) that has been approved by the Secretary of the United States Department of the Interior so that CSKT is a federally-recognized Indian tribal government (CSKT Const., approved October 28, 1935).

CSKT has approximately 8,000 members and governmental headquarters at Pablo, Montana. CSKT reserved the land, air, water, biota, and other natural resources of the Flathead Indian Reservation to itself by the terms of Articles II of the Hellgate Treaty. CSKT further reserved the right of its people to conduct their traditional practices throughout their aboriginal territory together with a right to access their usual and accustomed places for the purpose of conducting such traditional practices. CSKT has a sacred duty and sovereign right to protect, preserve and utilize the earth's natural resources, including the air, land, and water resources that are impacted by hydropower production activities occurring within CSKT's aboriginal territory, including but not limited to the resources of the Clark Fork River Basin and the Missouri River Basin.

CSKT established a Natural Resources Department, Division of Environmental Protection ("NRD/DEP") as a CSKT government agency with federally-recognized authority to administer and enforce CSKT ordinances pertaining to water quality,

including CSKT Water Quality Ordinance 89B and the Flathead Reservation Water Quality Standards and Antidegradation Policy.

CSKT currently holds the license for the Kerr Hydroelectric Project, Federal Energy Regulatory Commission (“FERC”) Project No. 5 jointly with PPL Montana, LLC. CSKT has the exclusive and unilateral right, pursuant to the terms of Ordering Paragraph (C)(2) of the FERC license for the Kerr Project, to acquire the Project at any time between September 5, 2015 and September 4, 2025 (Order Approving Settlement and Issuing License, 32 FERC ¶ 61,070, July 17, 1985). CSKT will be the sole licensee once it exercises its right to acquire.

CSKT established and wholly-owns SX^wNQÉ?ELS L SUWÉČM /KSUKZIZMUMAZ gAdJAZMUKWAGITS, Incorporated, d/b/a Energy Keepers, Incorporated, a for-profit corporation chartered by the United States Department of the Interior pursuant to Section 17 of the Indian Reorganization Act of 1934 (25 U.S.C. § 477). Energy Keepers, Incorporated is authorized to, among other things, to acquire, manage, operate, and maintain the Kerr Hydroelectric Project and related assets on behalf of the CSKT.

CSKT’s Interest and Position

CSKT seeks to ensure that NorthWestern Energy Corporation (“NWE”) is aware of, and committed to, protecting and preserving the natural resources that CSKT preserved unto itself by the terms of the Treaty of Hellgate. CSKT also seeks to ensure that the interests of its members and all other citizens of Montana are respected by NWE via seeking and establishing economically efficient, technologically sound, socially responsible, and environmentally prudent terms for owning, operating, and maintaining the eleven hydropower generation projects that are the subject of this Application. In furtherance of these objectives CSKT has, over the years, been a party to previous contested case dockets related to sale and transition of these hydropower generation projects.

CSKT will monitor NWE’s Application to ensure that nothing contained in the Application will seek to vary the scope of permit for authorized discharge at the Kerr Project in a way that would impact the water quality of the Flathead River.

CSKT supports the responsible ownership, operation, and maintenance of hydropower generation resources in a utility’s portfolio for a variety of reasons including avoiding both fossil fuel price risk and the damaging health, social, and environmental effects associated with fossil fuel production and use.

CSKT is interested in ensuring that NWE and the Commission are fully aware of CSKT’s unilateral and exclusive right to acquire the Kerr Hydroelectric Project and that CSKT intends to exercise this right at the earliest opportunity (i.e. September 5, 2015). NWE’s agreement to acquire the Kerr Project and application for rate-base treatment has already interjected complexity into the process for subsequent acquisition of the Kerr Project by CSKT. CSKT is concerned that NWE’s Application may create additional uncertainty regarding the terms and conditions under which CSKT’s co-licensee for the

Kerr Project is required to convey the Project to CSKT, cause delay in the schedule for acquisition and related transition activities, or create avoidable risk to startup of CSKT's hydropower generation business. CSKT, as co-licensee for the Kerr Project, will vigorously assert and defend its right to acquire the Kerr Project on September 5, 2015, at the conveyance price amount, and on the terms stipulated in the FERC license for the Kerr Project.

CSKT is interested in ensuring that Montana's regulated energy laws are correctly interpreted and implemented so that the benefits and costs of hydroelectric energy generation and related impacts on transmission and control area functions are shared equitably for Montanans. In addition, as an entity that has been a party in previous Commission proceedings, with expectation of being a party in future Commission proceedings, CSKT has an interest in ensuring that those proceedings are conducted in an efficient, fair, and appropriate manner. At this point in the proceeding, CSKT does not take a position on the ultimate question posed by NWECA's Application. CSKT reserves the right to develop that position informed by, among other things, discovery as the proceeding evolves.

Finally, CSKT's interests are unique and cannot be adequately represented by the participation of any other party in this proceeding. CSKT will not delay the proceeding or prejudice any party through its intervention, nor will it seek to broaden the issues presented in this docket.

Service of Documents

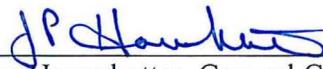
Movant requests that all documents in this proceeding be served on:

Joe Hovenkotter, General Counsel
Energy Keepers, Incorporated
110 Main Street, Suite 304
Polson, MT 59860
(406) 883-1113
joe.hovenkotter@energykeepersinc.com

Conclusion

For the foregoing reasons, NRDC requests the Commission to grant this motion to intervene.

Respectfully submitted,



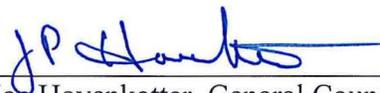
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Ronald McDonald
CSKT Tribal Legal Department
P.O. Box 278
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ATTORNEYS FOR CONFEDERATED SALISH AND KOOTENAI TRIBES

CERTIFICATE OF SERVICE

I hereby certify that the above signatory has on January 10, 2014, served the foregoing by electronic delivery and first-class mail, postage prepaid, on the applicant and the Consumer Counsel.



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SALISH AND KOOTENAI TRIBES